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# புதுச்சேரி மாநில அரசிதழ்

## La Gazette de L' État de Poudouchéry

## The Gazette of Puducherry

### PART - I

சிறப்பு வெளியீடு

EXTRAORDINAIRE

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அதிகாரம் பெற்ற  
வெளியீடு

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No.	Poudouchéry	Vendredi	20	Janvier	2017 (30 Pausa 1938)
No.	Puducherry	Friday	20th	January	2017

### GOVERNMENT OF PUDUCHERRY LABOUR DEPARTMENT

No. 6323/AIL/Lab./T/2015/68.

Puducherry, the 18th January 2017.

### ORDER

Whereas, the management of M/s. Anglo French Textiles Limited, Puducherry has submitted an application in Form O-3, dated 14-10-2016 to the Secretary to Government, Labour Department, Puducherry, seeking permission for extension of Lay-off for a period of 6 months from 21-1-2017 in respect of A, B and C Units (except 'C' Unit spinning) under section 25-M of the Industrial Disputes Act, 1947, read with rule 75(B) of the Industrial Disputes (Central) Rules,1957;

Whereas, the views/replies of the management, trade unions, Government Pleader, High Court of Judicature at Madras and the relevant documents/issues were examined earlier;

Whereas, on perusal of the Lay-off application, dated 14-10-2016 of the management, it is observed that the management has stated various reasons for seeking permission for the extension of Lay-off such as:-

- (i) The "Thane" cyclone had caused severe structural damage to Anglo French Textiles. Most of the buildings in 'A' Unit are declared unsafe for use by the Inspector of Factories and orders were issued by them to prohibit the entry of workers inside the campus which included Spinning Preparatory and Weaving Preparatory besides the Engineering Department which forced the management to discontinue the operations in these areas.
- (ii) The net worth of the company has already been in the negative side as on 31-3-2015 and no funds are available even to meet the day-to-day expenses.
- (iii) The Government has continuously provided funds to the Mill by way of Share Capital and grant-in-aid. The Government has released ₹ 367.35 crores as Share Capital and ₹ 238.63 crores as grant-in-aid up to 31-3-2016. From the year 1985-1986 to 1992-93, the Pondicherry Textile Corporation Limited had earned marginal profits and thereafter had started incurring loss. The Share Capital and Grant-in-aid released for the last 7 years by the Government of Puducherry has drastically declined.
- (iv) The Grant-in-aid released presently is adequate only to pay the Lay-off compensation and wages and is not adequate to run the Mill fully.
- (v) The machineries are very old and without modernization, it is difficult to run the Mill effectively.
- (vi) Labour unrest prevailing due to non-payment of statutory dues and hence, without settling the dues no action can be taken to run the Mill. In the present scenario, the production activities in the Anglo French Textiles could not be resumed till the Weaving Preparatory and Warehouse Departments in 'A' Units are shifted to new building either in 'B' or 'C' units for which sufficient funds are required.
- (vii) The Company is in deep financial crisis with no liquid funds to meet on its day-to-day operations.
- (viii) The Employee's Provident Fund Authorities and the Employee's State Insurance Authorities started to proceed with the coercive action by freezing Bank Accounts and attaching the properties of Anglo French Textiles. The management had not settled the gratuity with interest to the tune of ₹ 38.26 crores for 1,001 employees as on 31-9-2016.
- (ix) The Inspector of Factories issued an order under section 40 (2) of the Factories Act, 1948 to prohibit the use of buildings were Spinning, Weaving, Weaving Preparatory, Warehouse and Engineering Departments of 'A' Unit are presently functioning as the buildings are in such conditions which pose imminent danger to human life and safety.
- (x) The Hon'ble High Court, Madras had passed a common order, dated 21-12-2015 in Review Application No. 107/2015 in W.P. No. 18277 of 2014 and Contempt Petition No. 428 of 2015 and M.P. No. 1 of 2015 in Review Application No. 107/2015 and directed that the competent authority is the District Collector for the payment of Gratuity under the payment of Gratuity Act and the Pondicherry Textile Corporation shall sell the properties detailed in the Government Memo under the supervision of the District Collector.

(xi) As per the order passed by the Hon'ble High Court Madras, the Anglo French Textiles shall sell the lands situated at [a]. Pattanur land-R.S. No. 47/3 to 171/pt.- (GLR value-₹ 71.70 crores); [b]. Thengaithittu-TS. No. P/7/23 (GLR value-₹ 1.05 crores); [c]. Thirubuvanai- R.S. No. 116/1A (GLR value-₹ 0.63 crores), totaling to ₹ 73.38 crores.

(xii) The Encumbrance Certificate has been received for Pattanur land and the survey has been also completed. The Encumbrance Certificates has been received for Thengaithittu Rice Mill Complex and Thirubuvanai Ginning Factory. The Department of Revenue and Disaster Management *vide* letter, dated 30-3-2016 had advised to engage any retired Revenue Official or PCS Officer with revenue background to co-ordinate the activities of the Corporation relating to the execution of the Hon'ble High Court Order, dated 21-12-2015 in W.P. No. 18277 of 2014 to conduct public auction.

(xiii) The present status of the Corporation was reviewed by the Government in May' 2016. It was suggested to conduct a rapid financial study of the techno-economic status of the Corporation. The Contract for the rapid financial study of the Corporation was awarded to ICRA, Noida fixing the date of commencing the work on 29-8-2016. The ICRA Management Consulting Services Limited has prepared a draft report and submitted the same on 21-9-2016 and requested the management to examine the report. The draft report has been examined by the management and ICRA Consulting Service has been requested to re-submit a draft report precisely to explore more avenues to mobilize funds for settlement of accumulated liabilities besides to explore more options to revive/restructure the Units Under PPP mode.

(xiv) The reason for Lay-off is due to labour unrest prevailing for non-payment of statutory dues and after settling the statutory dues pertaining to the employees, the Mill will take necessary action to revive the Mill subject to receipt of the funds from the Government.

And whereas, the management has also stated that they re-started the production activities in C Unit Spinning only for the time being and now, they have requested Lay-off for a further period of 6 months with effect from 21-1-2017 (except Spinning 'C' Unit).

Now, therefore, by virtue of the authority delegated *vide* G.O. Ms. No. 177/80-Lab., dated 1st September, 1980 of the Labour Department to exercise the powers conferred by the sub-section (1) of section 25-M of the Industrial Disputes Act, 1947 (Central Act 14 of 1947), the undersigned hereby decides to grant permission sought by the management of M/s. Anglo French Textiles, Puducherry, to Lay-off workman as defined under section 2(s) of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) in A, B, C (except Spinning 'C' Unit) Units for a further period of 6 months with effect from 21-1-2017.

**R. MIHIR VARDHAN, I.A.S.,**  
Secretary to Government (Labour).